

ORIGINAL

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

DOCKETED

BALLY MANUFACTURING CORPORATION, )  
Plaintiff/Counter- ) JAN 16 1984  
defendant, )  
vs. ) No. 73 C 2246  
D. GOTTLIEB & CO., a corporation, )  
and WILLIAMS ELECTRONICS, INC., a )  
corporation, )  
Defendants/Counter- )  
plaintiffs. )

DEPOSITION

of

ALVIN J. GOTTLIEB

FILED

JAN 17 1984

A. Scott Johnson, Clerk  
U.S. District Court

CLAUDE W. YOUNKERS, JR.

OFFICIAL COURT REPORTER  
U. S. DISTRICT COURT  
UNITED STATES COURT HOUSE  
ROOM 1918  
CHICAGO, ILLINOIS 60604  
312-427-4393



IN THE UNITED STATES DISTRICT COURT  
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Plaintiff/Counter- )  
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D. GOTTLIEB & CO., a corporation, )  
and WILLIAMS ELECTRONICS, INC., a )  
corporation, )  
. Defendants/Counter- )  
plaintiffs. )

DEPOSITION of ALVIN J. GOTTLIEB, taken by  
the plaintiff/counterdefendant herein, pursuant to notice  
and agreement of counsel, before Cynthia Dykins, (being  
a disinterested person, not of counsel for, or employed  
by any or either of the parties hereto, or interested in  
the outcome of said cause), a duly Certified Shorthand  
Reporter and Notary Public of the State of Illinois, at  
135 South LaSalle Street, Suite 1540, Chicago, Illinois  
on Friday, May 18, 1979 commencing at 10:00 a.m.

PRESENT:

FITCH, EVEN, TABIN & LUEDEKA  
(135 South LaSalle Street, Suite 900  
Chicago, Illinois 60603) by  
MR. DONALD L. WELSH and  
MR. JEROLD B. SCHNAYER

appeared on behalf of plaintiff;



ARNOLD, WHITE & DURKEE  
(2100 Transco Tower  
Houston, Texas 77056) by  
MR. JOHN F. LYNCH

and

ARVEY, HODES, COSTELLO & BURMAN  
(180 North LaSalle Street, 38th floor  
Chicago, Illinois 60601) by  
MR. HOWARD ARVEY

appeared on behalf of defendant  
Gottlieb.

- - - -

A

I N D E X

W I T N E S S

Direct

Alvin J. Gottlieb

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MR. WELSH: Before we start, Mr. Schnayer has some documents for you, Mr. Lynch.

MR. LYNCH: Are these the documents I was given to understand I was to receive today?

MR. SCHNAYER: Yes, these are the ones that are in order and these are the ones that were out of order, which is the way we were given them.

Now, the second thing I have to give you, there was a request for us to make copies of all documents that we made copies of, to make you an extra copy of them, and here they are.

MR. LYNCH: Super.

MR. SCHNAYER: I assume you will get billed later.

The third thing is that Wayne had asked me about a document 81 that was the first page of a yellow three-ring binder, and I could not find a document such as that.

I don't know. There was no copy like that in any of the copies or in the originals that I found. It is possible they got lost in the Xeroxing and possibly we never got it.

MR. LYNCH: Our document 81?

MR. SCHNAYER: Your document 81. I don't think there ever was one, as far as I remember going through the

documents.

MR. LYNCH: That is the one we gave to you and Wayne said he thought somehow he lost it and he wanted it back from you?

MR. SCHNAYER: Yes, he asked me to look for it, and it is not part of the copies we have.

MR. LYNCH: I will tell him.

MR. WELSH: Could you swear the witness, please?

(Witness sworn.)

MR. WELSH: This deposition is being taken pursuant to notice and agreement of counsel, the notice having been served in December of 1978 and setting the time for the deposition in December. That has been rescheduled by agreement.

MR. LYNCH: Just a moment, Mr. Welsh.

(There was a brief interruption, after which the taking of the deposition was resumed as follows:)

MR. WELSH: Mr. Lynch, is Mr. Gottlieb designated under our Rule 30(b)(6) notice for any of the subjects set forth there?

MR. LYNCH: I don't believe so. I believe -- correct me if I am wrong -- the two subjects are the



design, manufacture, et cetera, of the system and the decision to design, manufacture, et cetera of the system.

As I understand it, Mr. Edwall and Mr. Weinberg were respective designees.

MR. WELSH: The testimony was with respect to the design, development, construction, operation and testing.

MR. LYNCH: That certainly is Mr. Edwall.

MR. WELSH: And the decision to design, manufacture, and sell.

MR. LYNCH: Certainly Mr. Weinberg.

ALVIN J. GOTTLIEB,

called as a witness by the plaintiff herein, having been by me, the said Cynthia Dykins as notary public aforesaid first duly sworn, was examined upon oral interrogatories and he did thereupon depose and testify as follows:

DIRECT EXAMINATION

BY MR. WELSH:

Q Please state your full name.

A Alvin J. Gottlieb.

Q Where do you live, Mr. Gottlieb?

A 290 Cottage Hill, Elmhurst, Illinois.

Q Have you had an education beyond high school?

A Yes.

Q What was that?

A It was a year and a half in Chicago Technical College, electrical engineering.

Q Have you had any other formal education?

A No.

Q Are you employed?

A Yes.

Q By whom?

A D. Gottlieb & Co.

Q What is the business of D. Gottlieb & Co.?

A D. Gottlieb & Co. designs and manufactures amusement-type pinball machines.

Q How long has it been in that business?

A 52 years.

Q How many employees does D. Gottlieb have today?

A I don't know exactly.

Q Approximately?

A Approximately 650.

Q Does the company have any affiliation with any other company?

A Yes, it is a wholly-owned company by Columbia Pictures Industries, Inc.

Q Wholly-owned subsidiary?

I don't know the precise categorization of it.

It is a wholly-owned company owned by Columbia Pictures Industries, Inc.

Q When did that relationship first occur?

A December of 1976.

Q Is the company organized into departments?

A Yes.

Q What departments are there?

A Well, it is kind of a hard question to answer because there are many, many departments in the business.

Q Do you have an engineering department, for example?

A Yes, we have an engineering department.

Q Production department?

A We have departments that are in the area of production.

Q Do they have names?

A Yes, they do.

Q What are their names?

A I can't name all of them. I don't remember them exactly.

Q Do you remember some of them?

A Oh, yes.

Q What are they?

A Well, starting from the back, a tool and die

department, punch press department, welding department, small machinery department, maintenance department, switch assembly department, step switch subassembly department, cable department, dip soldering department, playboard assembly line department, bottom panel assembly line department, lightbox insert department, cabinet assembly department, final testing department.

I have to pause and refresh my memory.

Q Any department dealing with electronics or electronic controls for the pinball games?

A That would come under the sphere of the operation of the engineering department.

Q There is no production department dealing with electronics?

A Yes, it would be an incoming inspection department.

Q Any others?

A Not broken down specifically into that type of department.

Q Is there any one person responsible for production?

A Yes.

Q Who is that?



A Mr. Robert Smith.

Q How long has he had that responsibility?

A I don't know exactly.

Q Approximately?

A Approximately 12 or 14 years.

Q Does anyone have responsibility for the engineering department?

A Yes.

Q Who is that?

A Mr. Wayne Neyens.

Q Is Mr. Neyens an officer of the company?

A No.

Q He is not a vice president?

A Well, yes, he is a vice president of engineering.

Q Does Mr. Smith have a title of vice pres --

A Yes, he is a vice president of operations.

Q How long has Mr. Smith had that position?

A About the same period of time, 12 to 14 years.

Q What position do you hold?

A I am an executive vice president of D. Gottlieb & Co.

Q How long have you held that position?

A About 2 1/2 years.

Q What position did you hold prior to that position?

A Vice president.

Q For what period of time did you hold that position?

A Approximately 15 years.

Q How long have you been employed by D. Gottlieb?

A 32 years.

Q Have you had any other employment after you stopped attending Chicago Technical College?

A No.

Q What position or positions did you hold prior to becoming vice president?

A Secretary.

Q Any others?

A Secretary-treasurer for a period of time. Exactly what year, I forget which.

Q What have been your responsibilities as executive vice president?

A Act in the absence of the president, Mr. Weinberg.

Q Any other responsibilities or duties?

A I have been responsible for facilities acquisitions, plant design, consultation and engineering, employee labor relations, advertising manager.

Q That is during the two and a half years that



you have been executive vice president?

A No, that has been over the area of my career with the company.

Q When were you advertising manager?

A Started in 1950.

Q Until when?

A The present.

Q Do you have a marketing department?

A Yes.

Q Is someone other than you in charge of that department?

A Yes.

Q Who is that?

A Mr. Thomas Herrick.

Q Does he have a title?

A He is a vice president of marketing.

Q How long has he been there?

A Approximately eight months.

Q Did he replace someone else in the same position?

A Yes.

Q Who was that?

A Mr. Marshall Caras.

Q How long was he there prior to that?

A      Approximately six months.

Q      Did you have a marketing department before Mr. Caras came?

A      Not formally.

Q      But you did have a formal marketing department after he came?

A      It had been more formalized under his management.

Q      Did the formalization have anything to do with the entry of Gottlieb into the market with solid state pinball games?

A      No.

Q      As advertising manager did you have a responsibility for the marketing department?

A      I don't understand your question.

Q      Did Mr. Caras report to you as a superior?

A      Yes.

Q      Does Mr. Herrick also report to you as his superior?

A      In connection with advertising, yes.

Q      Do you have any procedure with respect to approving advertising?

A      Yes, it is all submitted to me for my personal



approval.

Q What form has the advertising taken that has been submitted to you for approval?

A Submitted in the form of rough layouts by artists and suggestions for copy.

Q What form has the final advertising material that you have approved taken; for example, brochures or letters to operators?

A All of those.

Q Any others?

A Press releases.

Q Any others?

A That covers it.

Q Letters to distributors perhaps?

A Well, I categorize that under press releases because they would be for public consumption.

Q I see. You stated that you have been a consultant to the engineering department?

A Yes.

Q Do you function in that capacity at the present time?

A Yes.

Q How long have you so functioned?

A 30 years.

Q What has your position as consultant to the engineering department involved?

A It has involved the entire operation of the department, starting with the game design, game critiquing, production engineering, and component development.

Q Have you had any responsibility in connection with those matters?

A No.

Q In other words, you haven't had a responsibility of overseeing the engineering department, for example?

A Not as a direct reporting procedure, no.

Q Have you in any respect been responsible for the engineering department?

A Not as a direct responsibility, no.

Q Have you had anything to do with decisions made by the engineering department?

A Yes.

Q What have you had to do with that?

A It would be in the vein of consultation.

Q Are you aware of how decisions are made at Gottlieb with respect to what games are manufactured?

A Yes.

Q How are such decisions made?



Decisions are made by a group of engineers and

executives.

Q Acting as a committee?

A No. It is acting perhaps as a consultant committee under the guidance of Mr. Weinberg.

Q Who composes that group?

A Mr. Weinberg, myself, Mr. Robert Smith, Mr. Wayne Neyens, Mr. Eddie Krynski and Mr. Richard Finger. That is the executive group that functions in that fashion.

Q How long has that group functioned that way?

A For as long as I can remember, except for Mr. Finger is a relatively new employee.

Q But for the last 10 years at least?

A Oh, yes.

Q Has Mr. Weinberg made the final decision?

A Yes.

Q What is Mr. Ed Krynski's position?

A Mr. Ed Krynski is a design engineer.

Q Game design, playfield design, that kind of thing?

A Yes.

Q Does he have a title, Mr. Krynski?

A Director of design engineering.

Q What is Mr. Finger's position?

or manager of the engineering department.

Q Under Mr. Neyens?

A That is correct.

Q How long has he held that position?

A Very recent. I believe it is within the last six month period.

Let me just go back. Give me the last sequence of questions. I am getting confused with the names and positions.

Q I don't know how far back you want to go.

A Let's go back to the question in connection with Mr. Krynski.

(Whereupon the record was read by the reporter as requested.)

MR. LYNCH: Counsel, I am going to request insofar as this last testimony is concerned that this particular testimony I may regard as subject to the protective order, and I will ask the reporter to delete it from this transcript.

(There was a brief discussion off the record, after which the taking of the deposition was resumed as follows:)



BY MR. WELSH:

Q Have you participated in the decisions as a member of that group?

A Yes.

Q How have you participated?

A Sat in on all the meetings.

Q And voiced your opinions?

A Yes.

Q Is the same process followed with respect to decisions for what engineering or development work will be undertaken?

A Yes.

Q Has that also been a procedure for some time?

A Yes.

Q Approximately how long?

A About the same period of time, about 10 years.

Q As consultant to the engineering department, how closely have you worked with that department?

A I am conversant with most of the developmental programs that are undertaken there.

Q Do you have daily contact with persons in the department?

A Not on a daily routine basis, no.

Q Are there any plans to employ new people in the engineer-

ing department?

A Yes.

Q Are you aware of what they are working on?

A Yes.

Q Have you had that awareness over a period, say, of the last 10 years?

A Yes.

Q Have any of the deliberations of the executive group been recorded by minutes, for example?

A No.

Q Do you know if any members of the group have kept personal notes during the meetings?

A Normally everybody brings paper and pencil along. What they write down, I don't know.

Q But you have seen them writing things down at the meetings?

A Yes.

Q Do you know a Mr. Allen Edwall?

A Yes.

Q Did you have anything to do with the hiring of Mr. Edwall?

A No.

Q Did you participate in the decision to hire him?

 A Yes.

Q Was there any particular reason for hiring him?

A Yes, we needed a replacement for another employee.

Q Who was the other employee?

A His first name was Dino. I don't remember his last name.

Q Was Mr. Edwall hired for any special capability that he had?

A Yes, his background in electronics and the solid state work.

Q Was he hired for the purpose of working in solid state development?

A Yes.

Q Was that also a specialty of the previous employee, Dino?

A Yes.

Q Do you know what background in electronics and solid state Mr. Edwall had at the time he was hired?

A Only that he had been employed in a similar capacity with -- I forget, either Philco or one of the large national appliance manufacturers.

Q Does D. Gottlieb & Co. today manufacture and sell solid state pinball games?

Yes.  
..

A Yes.

Q Do you recall approximately when that was first manufactured and sold?

A Production was in December of 1977.

Q And it was sold right after that, is that correct?

A It was sold at that time, yes.

Q What type of solid state system did it have?

MR. LYNCH: What do you mean by type? As to who made it or how did it function?

MR. WELSH: If he understands the question.

MR. LYNCH: I will object to the question as being vague, but if he understands the question, he may answer it.

THE WITNESS: I don't understand the question.

BY MR. WELSH:

Q Did it have a microprocessor control system?

A Yes, I was told that was what was in there.

Q Did Rockwell International supply any of the components for that system?

A Yes.

Q Did it supply the entire system?

A Yes.

Q Does it still supply the entire system today?

 A No.

Q What parts does it not supply today that it did supply for the Cleopatra?

A The power supply.

Q Any other parts?

A No.

Q Is that manufactured in house today?

A No.

Q Who supplies that?

(There was a brief interruption,  
after which the taking of the de-  
position was resumed as follows:)

THE WITNESS: Now what was the question again?

MR. WELSH: Would you read the question?

Q (Read by the reporter.)

BY THE WITNESS:

A A company whose name is OPT.

BY MR. WELSH:

Q Are the components being supplied by Rockwell today except for the power supply, similar to the ones that were supplied previously?

A Yes.

MR. LYNCH: What do you mean by similar? You mean the same type of components or are they --



MR. WELSH: He has answered the question.

MR. LYNCH: Well, the question is vague. I object to the question.

BY MR. WELSH:

Q I hand you a brochure, which has been identified with Nos. G0326 through G0329, and ask if you recognize it and if you would identify it, please?

A Yes, it is the sales brochure that I prepared for our game called Cleopatra.

Q Did you also prepare the copy on the back page, identified with No. G0329?

A That copy was submitted to me by Mr. Marshall Caras.

Q Did you approve it?

A Yes, I did.

Q Did you consider it to be accurate at the time it was written?

A Yes.

Q Are the statements still true, to the best of your knowledge?

A I can't answer that. If you read the copy, you will know why.

I don't know what Rockwell is doing today.

Q Is it still true today that the microelectronic solid state components are manufactured by Rockwell

International for the solid state pinball games of Gottlieb?

MR. LYNCH: The question has been asked and answered.

Answer it.

THE WITNESS: Yes, that's ...

MR. LYNCH: You can answer it again.

THE WITNESS: Yes.

Your reaction before caused me to pause.

BY MR. WELSH:

Q Do personnel of D. Gottlieb & Co. have any contact with personnel of Rockwell International today or during the present time?

A I think so.

Q Do you have any knowledge in that regard?

A I have seen Rockwell representatives speaking to our engineers in our factory.

Q Has that occurred over the past few months?

A Yes.

MR. WELSH: Could I have his answer, that other answer, please?

A (Read by the reporter.)

BY MR. WELSH:

Q Do you know the purpose of the Rockwell engineers speaking to people in your factory?

A The occasion that I personally experienced, it was quality control discussions.

Q When did that occur?

A That has occurred at odd intervals over the past year.

Q Any other purposes for Rockwell personnel speaking to your personnel at your offices or at your facilities?

A I wasn't part of the conversation. I know they were there, but I don't know exactly what they were speaking of.

Q Has Rockwell, to your knowledge, had a continuing practice of servicing Gottlieb as an account?

MR. LYNCH: What do you mean by servicing? I mean --

MR. WELSH: If he understands the question.

THE WITNESS: No, I don't understand the question.

BY MR. WELSH:

Q If anything goes wrong, do Rockwell people respond to inquiries from your people?

MR. LYNCH: Same objection.

BY THE WITNESS:

A I have been told that they do.

BY MR. WELSH:

 And you have seen them in your facilities?

A On the occasions that I mentioned that I was directly connected with, yes.

Q Are you aware of any other contact between Gottlieb personnel and any representative or employees of Rockwell?

A Yes.

Q What other contacts are you aware of?

MR. LYNCH: Just a moment.

(There was a brief interruption,  
after which the taking of the de-  
position was resumed as follows:)

BY THE WITNESS:

A My answer to that question is that I am aware of the fact that various members of our engineering and production department do maintain contact with various people in the Rockwell organization at different levels.

BY MR. WELSH:

Q How are you aware of that?

A I have had discussion with D. Gottlieb & Co.'s engineering department about problems that have arisen, and they have made me aware of conversations that they have had with Rockwell engineers.

Q Have those conversations taken place at your

facilities?

A Some.

Q Over the past year?

A Yes.

Q With whom in your engineering department have you had such discussions?

A With Mr. Wayne Neyens, Allen Edwall, and Mr. Tom Defotas.

Q How do you spell that?

A D-e-f-o-t-a-s.

Q Capital F?

A No, capital D.

Q What is his position?

A He is an engineer.

Q Electronics engineer?

A Yes.

Q How long has he been with the engineering department?

A Approximately a year and a half.

Q Is there anyone else at D. Gottlieb & Co. that you know of as having had contact with Rockwell personnel at your offices in the past year?

MR. LYNCH: May I hear that question again,  
please?

Q (Read by the reporter.)

BY THE WITNESS:

A No.

BY MR. WELSH:

Q How frequently have Rockwell personnel been at your facilities in the past?

A I don't know.

MR. LYNCH: I believe the question has been asked and answered, but he may answer it again.

BY MR. WELSH:

Q Was there a time at which your engineering department started to work on a solid state system for pinball games?

A Do you want an exact date?

Q Approximately.

MR. LYNCH: If you know.

BY THE WITNESS:

A Well, I don't know exactly what date they started.

BY MR. WELSH:

Q Would it refresh your recollection to know that Mr. Edwall testified that he began employment about October of '74 and that upon his arrival, he was shown a solid state pinball game?

A It doesn't help.

Let me use my memory for a minute.

Q Surely.

A 1972 would be my earliest recollection of any beginnings of design.

Q What happened then?

A It was the employment of a person knowledgeable in the area of solid state devices.

Q Is that Dino?

A That was Dino.

Q Do you recall what he did from 1972 until Mr. Edwall became employed?

A He was working on making a control system for a pinball machine that used solid state devices instead of electromechanical devices.

Q Was that the only thing he worked on?

A To my knowledge, that's all.

Q Do you know whether he was trying to replace the entire electromechanical control system or was he working only with parts?

A I don't know how to answer that question. He was doing experimental work, which covered all facets of the control of pinball machines.

Q Do you know what type of solid state components he was working with?

A No.

Q Do you know if he was working with microprocessors?

A I don't know that.

Q After Mr. Edwall came, were you aware of the work that he was doing?

A Yes.

Q What was that?

A He was developing a solid state control system for our pinball machine.

Q Were you advised as to what type of solid state components he was working on?

A No.

Q You were not told that he was working with TTL logic?

A I wasn't told that. I had discussions with him, which included use of all types of components.

Q Were you informed about different pinball games which he worked with and which had all or part of the control with solid state electronics?

MR. LYNCH: In different pinball games identified by different playfields?

MR. WELSH: Yes.

BY THE WITNESS:

A Yes.

BY MR. WELSH:

Q Was that during the period following his em-  
ployment -- strike that.

MR. LYNCH: Before he was employed, I don't  
think you knew what he was doing.

THE WITNESS: Not firsthand.

BY MR. WELSH:

Q Did you hear designation of games by the terms  
1E or E1, E2, E3?

A I don't recall that.

Q Do you recall approximately how many games he  
worked with?

A No. I saw several. I didn't keep track.

Q Is it correct that you were not aware of whether  
TTL logic was being used in those games?

A I wasn't aware of it.

Q Did the engineering department, to your knowledge,  
ever undertake the design of a solid state control system  
using a microprocessor for pinball games?

A I was told that was one of the components that



they were working with.

Q Do you recall when that occurred?

A No, I don't.

Q Do you recall whether an attempt was made to design such a system in house?

MR. LYNCH: I think the question has been asked and answered.

BY THE WITNESS:

A Yes, I was aware of it.

BY MR. WELSH:

Q Were you informed as to whether that effort was successful or not?

A To my knowledge, the engineering department did not design a complete microprocessor system.

Q But they did attempt to do that, is that correct?

A I saw several handwired boards that I was told had a microprocessor on them.

Q Was it their objective, to your knowledge, to design a complete system?

MR. LYNCH: Counsel, we get into the situation where the witness can tell you what he knows, but as far as their objective to his knowledge, it really becomes irrelevant. If he had no knowledge of what their objec-

tive was, I mean, his opinion of what their objective was really doesn't make any difference.

BY MR. WELSH:

Q Do you have knowledge of what their objective was?

A Yes.

Q Was that objective to design a complete micro-processor system for a pinball game?

A No.

Q What was their objective?

A Their objective was to design a solid state control system.

Q Did the engineering department, to your knowledge, ever have an objective of designing a microprocessor control system?

A They had indicated to me that a control system utilizing a microprocessor was a reasonable approach.

Q Do you know whether they tried to design a system with that approach?

A I was told that they did.

Q Do you know whether they were successful?

A Yes, they were.

Q Was that system put into production?

A Yes.

Q Is that the system that is in production today?

A The system that is in production today is a modified version of it.

Q You stated, however, that the system that they designed did go into production?

A The system that is in production today is a modified version of the system that was developed in the engineering department.

Q So that the engineering department's system was modified before it became a production system?

A Right.

Q Was that modification done with any outside consultation?

A Yes.

Q Was that consultation with Rockwell?

A That is correct.

Q Was any consultation sought from anyone other than Rockwell in the engineering department's efforts to design a microprocessor system?

A Yes.

MR. LYNCH: May I have that question again, please?

Q (Read by the reporter.)

BY MR. WELSH:

Q Who else?

A National Semiconductor.

Q Do you know why your engineering department sought help from outsiders?

A We were instructed to explore the availability of devices suitable for our use.

Q Who gave them that instruction?

A Mr. Weinberg and Mr. Neyens.

Q Do you know if the engineering department sought help because of a lack of capability of designing the entire system within house?

A Yes.

Q Was anyone other than National consulted, and Rockwell?

A I understood others were consulted, but I can't give you the names of the companies.

Q Does Signetics mean anything to you in that regard?

A No.

Q Do you know if the engineering department approached National Semiconductor or if the reverse were true?

A I really don't know.

Q Do you know when the engineering department began to work with National Semiconductor?

A No, I don't.

Q Do you recall whether it was before the engineering department started working with Rockwell?

A I recall that they were consulted parallel, simultaneously.

Q Do you know whether National Semiconductor and Rockwell were given any guidance by your engineering department as to what was desired in a control system for pinball?

A We instructed the engineering department to do so. I was not present at the meetings where it was done.

Q When you say "we instructed the engineering department to do so," who do you mean by "we"?

A Mr. Weinberg and myself and Mr. Neyens.

Q I hand you a group of documents, which bear the identification Nos. G0264 through G0271, which were produced by your counsel in response to our request for documents, and ask if you recognize those as anything familiar to you?

(There was a brief interruption, after which the taking of the deposition was resumed as follows:)

MR. LYNCH: He is talking about the documents

themselves.

BY THE WITNESS:

A Well, I see information on the documents that I am familiar with, but I have never seen the documents before.

BY MR. WELSH:

Q Do you recognize the handwriting?

A No.

Q You stated you recognized some of the information on here?

A Yes.

Q Could you point to what information you recognize?

A The information I recognize on this document is information that concerns functions that our electro-mechanical pinball machines have that would have been necessary knowledge for anyone who was going to make some other type of controlling device.

Q Could you be more specific as to what information that was?

A Yes, on page 1, item I B, sub 3, the number of lamp drivers, sub 2, the number of digits required, sub 4, the number of solenoid drivers required, page 2, item C, covering replay counts, match score and bonus.

That is roughly the ones.

Q Thank you. Let's take a short recess.

(There was a brief recess, after which the taking of the deposition was resumed as follows:)

BY MR. WELSH:

Q I hand you now documents which have been marked with identification Nos. G0380 through -388 and ask if you recognize any of those documents?

A No.

MR. LYNCH: I believe, Mr. Gottlieb, that although this is the backmost page, this letter, it appears that the backmost page included the earlier pages.

THE WITNESS: Yes, I didn't look at that part of it.

It seems to be, except for this letter part, to be the same as the prior document.

I have no knowledge of this. I have never seen this one before, this letter.

BY MR. WELSH:

Q You have not seen the letter. Have you seen the proposal or the material attached to the letter?

A Wait a minute. I will look.

Not in this form, no.



Q Do you know who Delta Technical Sales Corporation is?

A No.

Q Do you know if a formal arrangement with National Semiconductor was ever made by Gottlieb?

A No.

Q Do you recall if National Semiconductor ever built any prototype games with solid state electronics for Gottlieb?

A I didn't see anything along those lines.

Q Do you recall whether a Spirit of '76 game was involved in the dealings with National Semiconductor?

A Whose?

Q Anybody's.

MR. LYNCH: Anybody's dealings with --

MR. WELSH: No, anybody's Spirit of '76 game I thought was his question.

BY THE WITNESS:

A I don't have direct knowledge of that.

BY MR. WELSH:

Q Are you aware of more than one Spirit of '76 game?

A Yes.

Q What Spirit of '76 games are you aware of?

A The one manufactured by our company and one manufactured by a company called Mirco.

Q Was the one manufactured by Gottlieb an electro-mechanical game?

A Yes.

Q Was the one manufactured by Mirco electromechanical?

MR. LYNCH: If you know.

BY THE WITNESS:

A No, it wasn't electromechanical.

BY MR. WELSH:

Q What was it?

A It had solid state devices in it.

Q How did you become aware of the Mirco game?

A I saw it on display at a convention.

Q Was that the MOA or AMOA show in --

A No, it was the ATE show in London.

Q ATE?

A ATE, Amusement Trade Exposition.

Q When was that?

A 1976.

Q What part of 1976?

A I think it was in January of 19-- just a minute.

I believe it was January of 1976. My



recollection of the exact date isn't too good.

Q Is that show usually held at the same time every year?

A Yes, the latter part of January.

Q Were you told what type of solid state devices were used in the Mirco Spirit of '76?

A No, I wasn't told anything about it.

Q Are you aware as to whether a microprocessor control system was used in that game?

A Their advertisement I had read indicated that a microprocessor was used in the game.

Q That was an advertisement you had read at or about the time of the show?

A Yes.

Q Did you know what a microprocessor was at that time?

A Yes.

Q Had any work been done at Gottlieb using microprocessors as of that time?

A I don't know.

Q How had you become aware of what microprocessors were as of that time?

A I had read about them in trade journals.

Q What trade journals?



A Electronic News.

Q Do you subscribe to Electronics News?

A The company does.

Q Do you have any practice with respect to reading it?

A I read it at irregular intervals.

Q How long has the company subscribed to it?

A I don't know.

Q Had you become aware of microprocessors by that time in any other way?

A Yes.

Q How?

A A magazine called QSL, which was an amateur radio magazine.

Q Do you subscribe to that magazine?

A Yes.

Q Are you a ham?

A Yes.

Q What did that magazine have to say about microprocessors?

A They ran a series of articles on the understanding and use of microprocessors.

Q That was all prior to the time of that show in

London?

A Yes.

Q It is correct you do not recall if by that time there had been any use of microprocessors in developments at Gottlieb?

A Not to my knowledge.

Q Have you ever attended any seminars on microprocessors?

A No.

Q Were you aware of microprocessors through any means other than those you have mentioned?

A No.

Q Have you since that time become more informed about microprocessors?

A Yes.

Q What have you done in that regard or how have you become so informed?

A In discussions with our engineers.

Q This letter, document No. G0388, bears the date of March 24, 1976 and was taken from your files and appears to relate to National Semiconductor making a proposal to D. Gottlieb & Co. for a total electronic pinball game application.

Does the existence of this letter in any way refresh your recollection as to when the relationship with National Semiconductor commenced?

A No.

Q I hand you document Nos. G0946 through G0953 and ask if you recognize those as something you have seen before or if you are familiar with that?

A No.

Q I show you also document Nos. G0920 through G0922 and ask if you recognize those as something you have seen before or are familiar with?

A No, I have not seen this document before. The numbers therein I don't recall.

Q Do you recall any discussions regarding the subject matter noted on this document?

A I recall discussions on the general subject matter, but no specifics.

Q Do you recall becoming aware of any solid state pinball game prior to the time of that show in London in the latter part of January, '76 where you saw the Mirco Spirit of '76?

A I recall having seen a pinball machine which had electronic solid state components in it and which had a

manufacturing label indicating it had been built in Italy.

Q When did you see that?

A The same time.

Q Same show?

A Same show.

Q Prior to that show had you been aware of any solid state pinball game?

A I had heard of the Mirco game before the show, yes.

Q What did you hear about the Mirco game?

A Well, simply that a company named Mirco was building a pinball machine with solid state controls on it.

Q Did you hear whether it included a microprocessor?

A No, my initial information didn't indicate that

Q What was the source of your information?

A One of the device manufacturers, but I can't remember which one.

Q Did you attend the MOA show or AMOA show in Chicago in 1975?

A Yes.

Q Do you recall seeing the Mirco Spirit of '76 game there?

A I don't recall that.

Q Do you recall what type of control the Italian game had that you saw?

A I didn't recognize the devices. I couldn't identify them.

Q You are aware, are you not, that Bally Manufacturing Corporation is manufacturing and selling solid state pinball games?

A Yes.

Q When did you first become aware of that?

A I don't recall the date.

Q Do you recall how you became aware of it?

A Yes, I saw a game so identified on a test report by the letters SS.

Q Do you recall the name of the game?

A No.

Q Do you recall who wrote the test report?

A No, I don't.

Q Or to whom it was addressed?

A Well, it was a test report addressed to our company.

Q I hand you three documents, numbered G0442 through G0444, and ask if you recognize those documents

as any of which you have seen before?

(There was a brief interruption,  
after which the taking of the de-  
position was resumed as follows:)

BY THE WITNESS:

A No, I don't recall having seen this before.

BY MR. WELSH:

Q That is not the report that you referred to?

A No, this is not the report I referred to.

Q Do you know who Mademoiselle Bonnet is?

A No.

Q I hand you documents marked with Nos. G0452  
through G0454 and ask if you are familiar with those  
documents?

A No, I don't recognize these documents.

Q Do you recall any discussion with Mr. Weinberg  
about the Bally Bow and Arrow game on or about the date of  
this document in March, 1976?

A No.

Q Does the company have a practice of keeping  
informed of competitors' products?

A Yes.

Q Does that practice include becoming informed  
about new products of competitors as soon as they appear



on the market?

A Yes.

Q How did you become informed of that?

A We usually see the names of prototype models on test reports.

Q So that you actually would become informed before the competitor offered the game on the market?

A We were aware of the existence and the name of the machine.

Q Were you also aware of details through the test reports?

A Only in connection with income.

Q What was the source of those test reports?

A The source of the test reports were distributors of D. Gottlieb & Co. who are routinely shipped test samples of our product to be operated alongside of other games for test purposes, which includes the operation of the machine electrically and mechanically, player appeal-wise and also competitively.

Q Was it such a report in which you first became aware of Bally's solid state game by seeing the letters SS?

A Yes.

Q Do you continue to be informed after competitors' products are actually marketed?



A We have no formal reporting procedure.

Q But do you continue to be informed anyway?

A Our distribution organization tells us the sales acceptability of our competitors' equipment, as well as our own.

Q Do you recall what the test report that referred to the Bally SS game said with respect to the game?

A The report only had the figures, the income of the various machines on the location.

Q No details about the solid state?

A No comments.

Q I show you now documents numbered G0464 through -466, part of which have been expunged, and ask if you recognize any of the material which is left as something that you have seen before?

A I recall having seen the information itemized in this document.

Q Who is Mondial Commercial Corporation?

A It is a distributor for D. Gottlieb & Co.

Q Do they distribute in foreign markets?

A Primarily, yes.

Q But also in the U.S.?

A They do have one distributorship in the United

States handling our products.

Q Do you know or have any idea as to the reason why this letter was written?

MR. LYNCH: I object. There is absolutely no foundation for that.

BY THE WITNESS:

A I don't know.

BY MR. WELSH:

Q Did you discuss the matter with Mr. Weinberg?

A No.

Q How did you become familiar with the information on the document?

A He routinely gives me similar documents for my information.

Q Do you recall whether in its original form, document No. G0466 had additional information on it?

A I don't recall what was there.

Q I show you a group of documents numbered G0524 through -536 and ask if you recognize any of those as any documents you have seen before?

(There was a brief interruption,  
after which the taking of the de-  
position was resumed as follows:)

BY THE WITNESS:

A I don't recognize any of them.

BY MR. WELSH:

Q Do you recognize the handwriting?

A No.

Q Do you recall any discussions about the subject matter of the documents?

MR. LYNCH: It appears that there is various subject matter on various documents. So I recommend you go through it.

(There was a brief interruption,  
after which the taking of the de-  
position was resumed as follows:)

BY THE WITNESS:

A No, I am not familiar with any specific item on these documents.

BY MR. WELSH:

Q Do you recall any discussion about estimated cost breakdowns on Bally equipment?

A No.

Q Do you know whether your engineering department ever acquired any Bally solid state pinball games for study?

A Yes.

Q What games did they acquire?

A I don't remember the names of them. We have acquired all that were available to us through normal marketing channels.

Q These are solid state games?

A Yes.

Q What was the purpose of acquiring those?

A Standard procedure to keep up on whatever our competitors are doing.

Q Do you acquire all games of all competitors for that purpose?

A Yes.

Q Is that a standard practice?

A Yes.

MR. LYNCH: Asked and answered.

BY MR. WELSH:

Q How long have you had that practice?

A For the 32 years that I have been with the company.

Q Are all of the games given the same analysis?

A Yes.

Q Are there estimated cost breakdowns of each game of every competitor?

A That is not part of the regular routine.

Q Are there parts breakdowns, analysis of the parts of competitors' games?

A I don't understand the question.

Q Is there a listing of parts of each of the competitor's games as a part of the process?

A That is done at odd intervals, not on a regular routine basis.

Q Is there anything that determines when it will be done?

A No, it is not done on a proscribed basis.

Q I hand you documents marked with Nos. G1274, 1275, 1225, 1230.

MR. LYNCH: Is that through 1230?

MR. WELSH: No.

BY MR. WELSH:

Q (Continuing) -- 1225, 1230, 1231 and 181, and ask if you recognize any of those documents as something you have seen before or are familiar with?

(There was a brief interruption, after which the taking of the deposition was resumed as follows:)

BY THE WITNESS:

A The only one I recognize is their advertising

brochure.

BY MR. WELSH:

Q That is document Nos. 1230 and 1231?

A That is correct.

Q Do you have any idea as to a reason why a cost breakdown of a particular competitor's device was made?

A It is my understanding that that sort of thing is done when any of our competitors' games show a major change in design or construction.

Q Did you consider that Bally's games showed such a major change in design or construction?

A Yes.

(There was a brief discussion off the record, after which the taking of the deposition was resumed as follows:)

BY MR. WELSH:

Q What was the major change in design or construction that you considered that Bally made?

A Well, the major change in the design and construction of the first -- I assume you are talking about a Bally solid state pinball machine?

Q Yes.

A The major change that I observed was the use

of solid state devices replacing electromechanical devices in the control of the operation of the pinball machine.

Q That was in a production game on the market-place?

A Yes.

Q Was Bally the first to have made that major change, to your knowledge?

MR. LYNCH: To your knowledge.

BY THE WITNESS:

A To my knowledge, no. I had seen pinball machines before with solid state devices on them.

BY MR. WELSH:

Q Of competitors?

A No, it wasn't a competitor at the time.

Q What game are you referring to?

A I am referring to a machine which was manufactured by Bally as an electromechanical pinball machine which was converted to solid state controllers by the Atari Company.

Q Where did you see that?

A In the Atari suite at the Hilton Hotel in Chicago.

Q When was that?



A I think it was in November of 1975.

Q During the MOA --

A Yes.

Q How did you happen to go to the suite?

A I was invited by Mr. Gene Lipkin of Atari and Mr. Nolan Bushnell of Atari.

Q Do you recall what Bally game was shown?

A I don't remember the name of it.

Q Does Delta Queen sound familiar to you?

A That name is familiar to me.

Q Does that help refresh your recollection as to what game you saw there?

A No, I don't specifically recall the name.

I do remember specifically it was a Bally machine, however.

Q What were you told about the game?

A That it was an experimental model.

Q Were you told anything else?

A They were going to continue to experiment along the same lines.

Q Were you told what solid state components were used in the game?

A No.

Q They did not tell you a microprocessor was used?



A No, they did not say that.

Q Did you see the game operate?

A Yes.

Q Did you form any opinion with respect to the game?

A It didn't seem to do anything I hadn't seen done before.

Q Did you form any other opinions?

A No.

Q How long did you see it in operation?

A About half an hour.

Q Did you examine it closely during that time?

A No.

Q Did you check it to make sure that the counts were accurate?

A No.

Q Is it correct then that you didn't form any opinion as to whether it was operating successfully as a game?

A No, I did not form any such opinion.

Q Did the people of Atari present when you saw the game advise you as to whether they were going to put that solid state system into production?

MR. LYNCH: Objection. This is calling for hearsay testimony.

I will let the witness answer.

BY THE WITNESS:

A They didn't tell me of any production plans for the device at all.

BY MR. WELSH:

Q But they did say they were going to continue to experiment?

A That is correct.

Q Other than the Atari game you saw and just told us about, were you aware of any other solid state pinball game of a competitor in the marketplace before Bally?

A No.

Q Do you know who prepared document No. G1275?

A No.

Q Is it correct that your company, D. Gottlieb & Co., as each competitor comes out with a new pinball game acquires one of those games to examine?

A Yes.

Q Do you recall acquiring a Bally Freedom pinball game in that regard?

 A No, I don't recall having acquired that.

Q Do you recall seeing a Bally Freedom game on the premises of D. Gottlieb & Co.?

A No.

Q Do you have any knowledge of whether the Bally Freedom game was involved in the development of the solid state system by Rockwell for Gottlieb?

A I don't know.

Q I show you what has been marked as document No. G1194 and ask if you recognize that as anything you have seen before?

A No, I don't recall having seen this document before.

Q Do you know who prepared it or do you recognize the handwriting?

A No, I do not.

Q Do you recall any discussion during the Rockwell development of the solid state system regarding sending a Bally Freedom game to Rockwell?

A I do not recall that.

Q Do you recall any discussion as to whether the Freedom game had exactly what Gottlieb wanted?

A No, I don't recall a discussion like that.

Q I show you document No. G0508 and ask if you have ever seen that before?



A No, I have never seen that before.

Q Do you know who Walrath is?

A The name is familiar as a Rockwell employee,  
but I don't know anything about this document.

Q Do you recognize the handwriting?

A No.

Q I show you document No. G0511 and ask if you recognize the handwriting on that document?

A No, I do not.

Q Have you ever seen the document before?

A No, I have never seen this document before.

Q I show you document No. G0545, which has been expunged partially, by appearance at least, and ask if you have seen that document before?

A No, I have not seen this document before.

Q Do you recognize the handwriting on that document?

A No, I do not.

Q Are you familiar with a game called Royal Flush?

A Yes, I am.

Q What is Royal Flush?

A It is a pinball machine manufactured by D.  
Gottlieb & Co.



Q Do you recall any relation of a Royal Flush game to the Rockwell development work?

A Yes.

Q What do you recall in that regard?

A That an electromechanical game manufactured by D. Gottlieb & Co. was shipped to Rockwell.

Q For what purpose?

A For the purpose of Rockwell familiarizing themselves with the operation and function of the pinball machine.

Q Do you know if it were to have been used developing a prototype of a solid state control system?

A Yes.

Q Was it?

A Yes.

Q Do you know if the work with Rockwell in developing the Gottlieb solid state system was done under any formal arrangement?

A Yes.

Q What was that arrangement?

A I don't know the precise details of it.

Q Do you recall any of them?

A There was a contractual arrangement to develop a solid state control system to suit the parameters out-



lined by our engineering department.

MR. LYNCH: Just a moment.

(There was a brief interruption,  
after which the taking of the de-  
position was resumed as follows:)

BY MR. WELSH:

Q Is it correct that there was a formal contract,  
development contract, with Rockwell?

MR. LYNCH: Counsel, yesterday I informed you  
I would find that out for you.

MR. WELSH: I am asking for his recollection.

MR. LYNCH: I understand.

BY THE WITNESS:

A From my recollection I do not recall a specific  
contract as such for our relationship with Rockwell.

MR. LYNCH: I will let you know about that, and  
also the other matter of whether we will produce it,  
of course, will be separately handled; but I will let you  
know on that matter and the National contract as well.

BY MR. WELSH:

Q Do you recall anything about the arrangements  
with Rockwell, what they were to do and what your people  
were to do?

A Nothing other than what I have just outlined.



Q I apologize --

MR. LYNCH: Read it back.

MR. WELCH: All right, if you can find it.

THE REPORTER: "A There was a contractual arrangement to develop a solid state control system to suit the parameters outlined by our engineering department."

BY MR. WELSH:

Q Do you remember any more specifically what Rockwell was to do?

A No.

Q Was there any particular schedule involved?

A Nothing precise, to my recollection.

Q Do you recall whether the agreement had any such thing as phases?

A Yes.

Q What do you recall in that regard?

A My recollection of the phases of the Rockwell arrangement was that they were to make a machine using solid state components that worked to our satisfaction. When that was completed, then a production prototype system would be submitted to us, and there would be negotiations for production.

Q Were those phases that you have just outlined?

A I consider those to be phases.

Q Is it correct that the first phase was for them to produce a machine with solid state components that worked, that was a prototype, was it?

A Yes.

Let me qualify that. It was a prototype with respect to the fact of the control system. The machine had been a production model.

Q Was that the Royal Flush that you spoke about?

A Yes.

Q The first phase was completed, was it not; the prototype was built?

A Yes.

Q Were you involved with inspection of that prototype or testing of it?

A No.

Q Was it tested and evaluated by your engineering department, to your knowledge?

A Yes.

Q Do you know when that occurred?

A No, I don't.

Q Were you advised as to the results of the evaluation and any conclusions that were drawn?

A Yes.

Q What were they?

A I don't recall the specific details of it.

Q Do you recall anything about it?

A Yes.

Q What do you recall?

A That it performed as requested.

Q Did the second phase then follow?

A Yes.

Q That was to be a production prototype system?

A Yes.

Q Was that production prototype constructed using a new playfield design or was it also constructed with a prior commercial game?

A I don't recall that.

Q I show you now document Nos. G1200 to G1206 and ask if you recognize those as anything you have seen before?

A No, I have not seen this document before.

Q Does the name J. W. Footh mean anything to you?

A Yes.

Q Who is or was J. W. Footh?

A He is an employee of Rockwell.

Q This document bears a date of April 8, 1977 and this document was produced from documents at your company.





THE WITNESS: Fine with me.

MR. ARVEY: That is great.

MR LYNCH: Do you want to take a break? Do you want to go?

Go, go. I don't even want to suggest it.

Go.

MR. WELSH: I might keep going and then take a break.

(There was a brief interruption,  
after which the taking of the de-  
position was resumed as follows:)

BY MR. WELSH:

Q You are informed that Bally has sued Gottlieb and Williams for infringement of a patent on solid state games, are you not?

A Yes.

Q How did you first become informed of that?

A I was sitting in Mr. Weinberg's office when Mr. Bill O'Donnell of Bally called us to inform us of said action.

Q Subsequent to that time, has there been any instruction given to your engineering department to attempt to redesign the solid state system for your pinball games in order to avoid the patent?



A No.

Q Have you personally formed any viewpoint as to whether the patent is infringed or not by the Gottlieb games?

A In my opinion, it is not.

Q What is the basis for that opinion?

A The basis for that opinion is that I was aware of the existence of a microprocessor long before, to my knowledge, anybody in the pinball machine business thought of using it and that I personally find nothing new or innovative in the application of a microprocessor in a pinball machine.

Q Is it your view that that is what the patent covers?

A I don't have a specific view as to what the patent covers because I have not examined it precisely in detail in connection with all of the claims.

Q Have you formed any view as to the validity of the patent?

MR. LYNCH: Oh --

BY MR. WELSH:

Q Or do you have any view?

MR. LYNCH: Counsel, that question of validity is clearly a question of law. I object to the question,

but I am going to let the witness answer, and I -- I will not comment.

THE WITNESS: Can I answer, counsel?

MR. LYNCH: Yes, you can answer, but do not talk about any conversations you have had with counsel or that you have had on behalf of Gottlieb with counsel. If you have personally formed an opinion as to the validity of the patent, for whatever it is worth, Mr. Gottlieb, you are going to give it to them right now.

BY THE WITNESS:

A In my opinion, the patent is invalid. In my experience I find nothing in the application or adaptation of a microprocessor which shows that anything new has been created or invented to warrant such a patent.

My opinion is that a microprocessor is primarily a micro-miniaturization of solid state junction devices and discrete components and that the primary interest I personally have had in connection with that is that one of our biggest problems in pinball machines has been contact troubles and that solid state devices eliminate that particular problem.

BY MR. WELSH:

Q How long have you been aware of that problem?

A Since 1947.

Q Are you aware of any other problems that are solved by solid state systems?

A Because of non-moving parts in a solid state control system, the element of wear doesn't exist.

Q Prior to the solid state system, the electro-mechanical system had parts which did move so there was a wear problem with respect to them?

A Yes.

Q Did that problem exist back to 1947 also?

A Yes.

Q Any other problems that you are aware of that existed in electromechanical games that do not exist or were cured by the solid state system?

A No.

Q Are you aware of any discussions outside the presence of counsel between Gottlieb personnel and Rockwell personnel regarding the question of infringement of the patent?

A No.

MR. WELSH: Let's take a break.

(There was a brief recess, after  
which the taking of the deposition  
was resumed as follows:)

BY MR. WELSH:

Q Why were there parallel development programs  
with National and Rockwell going on?

A On any development program we normally operate  
on a competitive bid basis.

Q And that was the situation here?

A Yes.

Q Have you had other development programs than  
the solid state control system?

A No.

Q But the competitive bid basis was the reason  
why you had National looking into it at the same time as  
Rockwell?

A That was the primary reason.

Q Were there any others?

A Yes.

Q What?

A We wanted to avail ourselves of the knowledge  
and updating that these two companies could provide us  
in our work on the system.

Q Any others?

A No.

Q Was a decision made ultimately to drop National  
and stay with Rockwell?

A Yes.

Q What were the reasons for that?

A It became apparent that Rockwell would be  
able to provide us with the services and product which  
we required.

Q Do you recall how the relationship with Rockwell  
began?

A No.

Q Is it correct then you don't know whether  
persons from Gottlieb approached Rockwell or represen-  
tatives of Rockwell approached Gottlieb?

A I have no such knowledge.

Q Do you know who would have such knowledge at  
Gottlieb?

A Mr. Neyens and Mr. Edwall, I think, would have  
such knowledge. I am not sure of it.

Q I show you a document marked as document Nos.  
G0445 through G0451 and ask if you recognize the unexpunged  
portions of that document as anything you have seen before  
or are familiar with?



A Yes, this is a report I prepared.

Q Is that a report of your visit to the Amusement Trade Exposition in London in January, 1977?

A That is.

Q The report indicates on page 2, which is document G0446, that two American firms showed pinballs using solid state systems.

Were there any other American firms who had solid state systems on display at that show?

A I don't recall.

Q On page 5, which is document G0449, there is a statement, "The mix of flippers on display was about 25 per cent solid state-type readout and 75 per cent real type scoring."

By real type scoring, did you mean electro-mechanical?

A Yes, that is correct

Q Approximately how many games in total were displayed?

A Approximately 35.

Q So that would be on the order of 8 or 9 solid state games?

A Yes.

Q Were the others than Atari and Meadows of foreign manufacture, do you recall?

A Most of them were.

Q You don't recall any other American manufacturer, is that correct?

A I don't recall.

MR. WELSH: I think that completes my questions.

MR. LYNCH: I don't have any questions for Mr. Gottlieb.

Counsel, can we stipulate that the transcript can be handled in the same fashion, transmitted to Mr. Arvey for Mr. Gottlieb to review and signature before any notary?

MR. WELSH: Yes.

MR. LYNCH: That concludes the day. Thank you, gentlemen.

AND FURTHER DEPONENT SAYETH NOT.

- - - - -



I have read the foregoing transcript  
of my deposition consisting of pages 1 to 73, inclu-  
sive, and the same is a true, correct and complete  
transcript of my said deposition as it now appears,  
so given at the time and place aforesaid.

Alvin J. Gottlieb  
Alvin J. Gottlieb

Signed and sworn to  
before me this 7th day  
of June, AD 1979.

Lorraine Nield  
Notary Public

My commission expires

April 11, 1980

executives.

Q Acting as a committee?

A No. It is acting perhaps as a consultant committee under the guidance of Mr. Weinberg.

Q Who composes that group?

A Mr. Weinberg, myself, Mr. Robert Smith, Mr. Wayne Neyens, Mr. Eddie Krynski and Mr. Richard Finger. That is the executive group that functions in that fashion.

Q How long has that group functioned that way?

A For as long as I can remember, except for Mr. Finger is a relatively new employee.

Q But for the last 10 years at least?

A Oh, yes.

Q Has Mr. Weinberg made the final decision?

A Yes.

Q What is Mr. Ed Krynski's position?

A Mr. Ed Krynski is a design engineer.

Q Game design, playfield design, that kind of thing?

A Yes.

Q Does he have a title, Mr. Krynski?

A Director of design engineering.

Q What is Mr. Finger's position?

A He is the director of the engineering department

BY MR. WELSH:

Q Have you participated in the decisions as a member of that group?

A Yes.

Q How have you participated?

A Sat in on all the meetings.

Q And voiced your opinions?

A Yes.

Q Is the same process followed with respect to decisions for what engineering or development work will be undertaken?

A Yes.

Q Has that also been a procedure for some time?

A Yes.

Q Approximately how long?

A About the same period of time, about 10 years.

Q As consultant to the engineering department, how closely have you worked with that department?

A I am conversant with most of the developmental programs that are undertaken there.

Q Do you have daily contact with persons in the department?

A Not on a daily routine basis, no.

Q Are you aware of who is employed in the engineer-